

BILL ANALYSIS

Senate Research Center

C.S.H.B. 607
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, Texas law does not require a signature to be obtained upon the physical delivery of a check form attesting to the delivery. Hence, it is legal for a courier service to leave a supply of blank negotiable instruments at a residence or place of business unattended and unsecured.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 35, Business & Commerce Code, by adding Section 35.395, as follows:

Sec. 35.395. DELIVERY OF CHECK FORM. (a) Defines "addressee," "check form," "courier," and "check form provider."

(b) Requires the entity making the arrangement for courier delivery, pursuant to the request of the addressee, when an addressee requests of a check form provider, courier delivery of a check form with signature required, and such service is available in the delivery area of the addressee, to provide the addressee with the option to require that a signature of the addressee, or the representative of the addressee, be obtained on delivery. Authorizes the option to require such a signature to be provided on a printed check form order form, on an electronic check form order form where a check form orders are offered on the Internet, to an electronic mail address established for such purpose by the entity making the offer, or by another method reasonably calculated to effectively communicate the addressee's intent.

(c) Requires an entity making the arrangement for the courier delivery of a check form to an addressee pursuant to the provisions of Subsection (b) to notify the courier of the check form that the signature of the addressee is required for delivery under Subsection (b).

(d) Authorizes, if the addressee suffers a pecuniary loss through the use of check forms stolen at the time of delivery to the addressee, a civil penalty of up to a maximum amount of \$1,000 per delivery to be levied upon certain entities.

(e) Authorizes the attorney general to bring suit to recover a civil penalty imposed under this section. Authorizes the attorney general to recover reasonable expenses incurred in obtaining a civil penalty under this subsection, including court costs, reasonable attorney's fees, investigative costs, witness fees, and deposition expenses.

SECTION 2. Effective date: January 1, 2006.